

INTERIM MANAGEMENT STATEMENT

29 July 2011

QUARTER ENDED 30 JUNE 2011

This statement, issued on the day of our Annual General Meeting, is an Interim Management Statement ("IMS") in accordance with the UK Listing Authority's Disclosure and Transparency Rules. It covers the period from 1 April 2011 to 28 July 2011, and includes trading results for the three months ended 30 June 2011.

Charles Stanley Group PLC is pleased to announce that its revenue for the three months to 30 June 2011, the first quarter of its financial year 2011/12, was 7.0% higher, at £30.9 million, than the comparable figure of £28.9 million for the three months to 30 June 2010. In May 2011 the Group acquired Jobson James Financial Services Limited and these figures include one month's income and expenses for that company.

The first three months started well and the Group has seen a good performance in the private client and financial services divisions. A reduction in transaction volumes during the quarter was offset by increases in investment management and administration fees. However, revenue in the Charles Stanley Securities division continues to be depressed by low levels of bond trading and lower retainer fees.

Total client funds under management and administration now stand at over £15 billion – a new record. This reflects an increase during the quarter of 3.7% from £14.50 billion at 31 March 2011 to £15.04 billion at 30 June 2011. Within this figure funds under discretionary management increased by 3.7% from £4.61 billion to £4.78 billion. Over the same period the FTSE 100 Index (June 2011: 5,946; March 2011: 5,909) and the FTSE APCIMS Balanced Portfolio Index (June 2011: 3,006; March 2011: 2,985) remained virtually unchanged. We are particularly pleased at maintaining an annualised organic growth rate of 8.4% in managed funds during the quarter (2011: 7.2%).

While it is difficult to see very far ahead, the Group has made a good start to the current financial year and business continues at good overall levels.

Funds under management and administration are analysed below:

	<i>Jun 11</i> <i>£ billion</i>	<i>Mar 11</i> <i>£ billion</i>	<i>Jun 10</i> <i>£ billion</i>	<i>Change since</i> <i>Mar 11</i> <i>%</i>
Discretionary funds under management				
In Group's nominee or Euroclear UK and Ireland ("EUI") personal membership	4.78	4.61	3.70	3.7%
Advisory managed funds				
In Group's nominee or EUI personal membership	2.42	2.39	2.10	
Not held in Group's nominee	0.44	0.20	0.20	
	2.86	2.59	2.30	10.4%
Total managed funds	7.64	7.20	6.00	6.1%
Advisory dealing funds				
In Group's nominee or EUI personal membership	3.09	3.03	2.60	2.0%
Execution only funds				
In Group's nominee or EUI personal membership	4.31	4.27	3.60	0.9%
Total administered funds	7.40	7.30	6.20	1.4%
Total funds under management and administration	15.04	14.50	12.20	3.7%

Total managed funds increased by 6.1% during the quarter of which 2.1% related to net organic growth as shown in the table below. This is equivalent to an annualised organic growth rate of 8.4% (2011: 7.2%). The 10.4% increase in advisory managed funds was mainly due to the acquisition of Jobson James Financial Services Limited in May 2011.

	Discretionary managed £ bn	Advisory managed £ bn	Total £bn	<i>Change</i> <i>%</i>
Funds at 1 April 2011	4.61	2.59	7.20	
<i>Inflows</i>				
New clients of existing investment managers	0.07	0.03	0.10	
Clients of new investment managers	-	0.24	0.24	
Organic – new funds from existing clients	0.20	0.10	0.30	
Total inflows	0.27	0.37	0.64	8.9%
<i>Outflows</i>				
Lost clients	(0.04)	(0.05)	(0.09)	
Organic – withdrawal of funds by existing clients	(0.09)	(0.06)	(0.15)	
Total outflows	(0.13)	(0.11)	(0.24)	(3.3%)
Net inflow of funds	0.14	0.26	0.40	5.6%
Market movement	0.03	0.01	0.04	0.6%
Funds at 30 June 2011	4.78	2.86	7.64	
% increase in quarter	3.7%	10.4%	6.1%	

REVENUE

Quarter ended 30 June 2011

	<i>Private Clients £'000</i>	<i>Financial Services £'000</i>	<i>Charles Stanley Securities £'000</i>	<i>Other £'000</i>	<i>Total £'000</i>
Commission	12,412	94	1,259	-	13,765
Fees					
Investment Management	8,717	88	-	-	8,805
Administration	4,600	2,839	-	-	7,439
Corporate Finance	-	-	839	-	839
Other	-	-	-	60	60
Total fees	13,317	2,927	839	60	17,143
Total	25,729	3,021	2,098	60	30,908

Quarter ended 30 June 2010

	<i>Private Clients £'000</i>	<i>Financial Services £'000</i>	<i>Charles Stanley Securities £'000</i>	<i>Other £'000</i>	<i>Total £'000</i>
Commission	13,819	53	1,540	-	15,412
Fees					
Investment Management *	6,458	49	-	-	6,507
Administration *	3,604	2,219	-	-	5,823
Corporate Finance	-	-	1,113	-	1,113
Other	-	-	-	43	43
Total fees	10,062	2,268	1,113	43	13,486
Total	23,881	2,321	2,653	43	28,898

*£475,000 of trail commission relating to managed clients has been re-classified from administration fees to investment management fees for the quarter ended 30 June 2010.

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Notes for editors

Charles Stanley Group PLC has five trading companies, Charles Stanley & Co. Limited, EBS Management PLC, CS Financial Solutions Limited, Garrison Investment Analysis Limited and Jobson James Financial Services Limited

Charles Stanley & Co. Limited provides full-service stockbroking, financial planning and benefit consultancy and small and mid cap advisory and institutional broking.

EBS Management PLC provides specialist pensions administration services. CS Financial Solutions Limited is a specialist provider of corporate employee benefits services. Garrison Investment Analysis Limited markets unit trusts, open-ended investment company units and packaged financial products to private clients, both directly and in wrappers such as ISAs and pensions. Jobson James Financial Services Limited provides wealth management advice and services for both private and corporate clients including pensions and retirement planning.

All five trading companies are regulated by the Financial Services Authority. The Group has 33 offices around the United Kingdom.